

Public Act 91-173, effective January 1, 2000, implements a program of dyed diesel fuel in Illinois.

January 3, 2000

Dear Xxxxx:

This letter is in response to your letter of August 6, 1999, which was sent to the Department's Motor Fuel Division. That letter was forwarded to the Legal Services Office for response. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See, 2 Ill. Adm. Code 1200.120 (b) and (c), enclosed. In your letter you state:

As we discussed recently, we seek approval of our metering system to analyze and document tax exempt fuel used to operate a power take-off unit. Right now, we are dealing primarily with the trash industry.

Enclosed is an explanation of our process and the documentation we use in the State of STATE. Any of these forms or processes can be adapted to meet your needs although the states we have dealt with so far agree that the STATE approach appears reasonable without placing an undue burden on the taxpayer.

Please review both the testing procedure and the documentation process with the necessary parties. We would like to meet all of your requirements up front so that this process will go as smoothly as possible once we get started. We offer to both the State and the taxpayer third party objectivity, an accurate and innovative test (patent pending) and solid documentation.

Your letter seeks the Department's approval for the system you use to meter the exempt fuel used to operate power take-off units, for purposes of off-road refund claims.

The Legal Services Office is unable to confer the approval you seek, and so cannot comply with your request. However, we have referred your letter to the Department's Motor Fuel Audit Division for response. Use of the fuel metering system is subject to approval by that division. We suggest that you contact Mr. Pete Micheletto of that division for further consideration of your request. You may reach Mr. Micheletto at (618) 993-8911.

Effective January 1, 2000, the Department implemented a dyed diesel fuel program. Under the dyed diesel legislation (Public Act 91-173), the Department is required to promulgate regulations establishing specific limits on the amount of undyed diesel fuel that can be claimed for refund. The

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Department has filed emergency administrative rules to implement the dyed diesel program. These regulations can be found on the Department's web site at www.revenue.state.il.us.

I hope that this information is helpful. If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110 (b).

Very truly yours,

Jerilynn T. Gorden
Senior Counsel, Sales & Excise Tax

Enc.